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### **Trade Agreement Offers Many Opportunities**

By Roger K. Deromedi, CEO, Kraft Foods Inc.

With 96 percent of the world's population living outside the United States, future growth for American food and agricultural producers is inextricably tied to our ability to access export markets. That's why Kraft Foods is urging Congress to approve the free trade agreement between the United States and Central America and the Dominican Republic.

CAFTA-DR represents an opportunity to expand U.S. exports. More than 99 percent of food and agricultural exports from the CAFTA-DR countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic) already benefit from tariff-free access to the U.S. market. Yet U.S. exports to the region face significant tariffs.

Our products currently face tariffs of 15 percent to 33 percent going into the CAFTA countries and tariffs on certain products are even higher. For example some products that Kraft produces right here in Illinois, such as processed cheese, face tariffs of up to 66 percent.

The elimination of tariffs would increase sales and level the playing field, which could offer a boost to American manufacturing jobs.

A recent study estimated that the potential savings to the processed-food industry--and to consumers in the region--from implementation of CAFTA-DR would be nearly \$8.8 million in the first year of the agreement. This figure grows to nearly \$28 million annually when the agreement is fully phased in. Upon elimination of tariffs, food exports could increase from \$359 million to \$662 million--an 84 percent increase over current exports to the region.

One of the most important features of CAFTA-DR for the entire U.S. food industry is its broad scope. All products are covered by the agreement, including sugar--a key food industry ingredient. The agreement provides for increased access for lower-priced Central American and Dominican Republic sugar but in a very modest way that fully recognizes the sensitivity of this commodity in our country.

As the world's strongest economy, our message to other nations simply cannot be that we are only interested in free trade in those goods and services for which we maintain a competitive advantage. Leaders of the CAFTA-DR nations appear to be fully committed to economic development, including the dismantlement of their protective trade barriers.

We're asking our elected representatives to demonstrate the same kind of courage. If the U.S. is unwilling to support and partner with these countries, they will find other eager partners, ceding these growing markets to others and further limiting growth prospects for U.S. businesses.

Kraft believes the agreement will provide opportunity for our employees, our stakeholders, our industry, our region and our country. Congress should approve CAFTA-DR without delay.